## **EXHIBIT K**

1	Page 1 UNITED STATES DISTRICT COURT	
2	DISTRICT OF MASSACHUSETTS	
3	LIBERTY MUTUAL INSURANCE :	
4	COMPANY, :	
5	Plaintiff :	
6	vs. : CIVIL ACTION NO.:	
7	THE BLACK & DECKER : 96-10804-DPW	
8	CORPORATION, BLACK & DECKER,:	
9	INC., BLACK & DECKER (U.S.),:	
10	INC., EMHART CORPORATION and:	
11	EMHART INDUSTRIES, INC., :	
12	Defendants :	
13		
14	Deposition of RICHARD PATRICK KIDWELL,	
15	taken on Tuesday, January 8, 2002 at 10:30 a.m.,	
16	at the Law Offices of Miles & Stockbridge, P.C.,	
17	10 Light Street, Baltimore, Maryland, before	
18	Deborah C. D. Shumaker, Notary Public.	
19		
20	Reported by:	
21	Deborah C. D. Shumaker	

## Page 50 Page 53 A. I think it was pretty much always the an opportunity. 2 same, is that he insisted on having a policy and A. Okay. I'm finished. claimed they couldn't find any, their documents. Q. Did you receive a copy of this letter 4 We said well, we will certainly look to see what 4 in about November 15th, 1991? 5 we have, but even if we can't find the policy 6 itself, here are these other things like the Q. Now, Ms. McCroddan indicates in the 7 letters, et cetera, that clearly demonstrate that middle of the second paragraph that "ESIS, a 8 you covered Black & Decker, and that should be CIGNA Company, has been providing claims services good enough for you. to Black & Decker since October 1, 1986, and as Q. In paragraph 7 you indicate that you 10 such, we will coordinate defense of this suit." 11 would not have recommended that Black & Decker Do you see that? 11 12 enter into a cost-sharing agreement in that form 12 A. Yes. 13 and referencing the cost-sharing agreement 13 Q. Now, what were ESIS's responsibilities 14 described in Mr. Schlemmer's affidavit. 14 in coordinating the defense of the suit? What 15 Do you see that? 15 were the elements of that? 16 A. Yes. A. Well, I think she would be the person 17 Q. Why would you not have recommended 17 who would talk to the other carriers, keep them 18 Black & Decker enter into a cost-sharing 18 advised as to what was going on, make sure that agreement in that form? 19 they rounded up, as she says in the next 20 MR. PIROZZOLO: Excuse me. Where are 20 sentence, their policies in the coverages, try to 21 we in that reference? 21 determine what limits there were, what are the Page 51 MR. DUFFY: Paragraph 7. 1 1 terms and conditions, if any there were, that 2 MR. PIROZZOLO: Paragraph 7? Thank you 2 would affect this, and try to be a focal point 3 very much. 3 for anything having to do with the coverages, et A. Because as stated in the middle of that cetera, of this case so that we didn't have five paragraph, the draft agreement that was attached or six different insurance carriers trying to to Mr. Schlemmer's affidavit in one provision 6 duplicate efforts and off and running and acting said that the payment of the costs would be final 7 at odds with either themselves or with Black & 8 and not be reallocated, and that would have been Decker. 9 sticking Black & Decker with costs for which they Q. Now, were ESIS's responsibilities ever 10 were not responsible. specifically delineated for Liberty Mutual or any 11 Q. Now, at the end of the paragraph you 11 of the other carriers that you know of? 12 basically indicate two options, that for a A. I'm not certain I understand your 12 13 cost-sharing agreement to be acceptable, it would 13 question. 14 have had to either provide that Liberty Mutual 14 Q. Did the role of ESIS ever come up in 15 would pay a percentage reflecting the '64 to '79 any of the meetings or conversations you had with 15 16 period, -16 Mr. Schlemmer? 17 A. Right. A. I don't recall that. 17 12 Q. - or, two, that Black & Decker would (Whereupon, Kidwell Deposition 19 be able to seek reallocation based on the period 19 Exhibit No. 4, 1/31/92 Cover Letter to Gentlemen 20 covering '64 to 1970. 20 from McCroddan with Interim Cost-Sharing A. Right. If Black & Decker was going to 21 21 Agreement for Mississippi Hearing Loss Page 52 Page 55 1 pay the '64 to '70 share, then they would have to 1 Litigation, marked.) have the right to go back and try to recoup that BY MR. DUFFY: 3 from Liberty Mutual. Q. I have just handed the Reporter another Q. Did you ever communicate your position document. It's a letter dated January 31st. 5 on this either/or arrangement to Mr. Schlemmer? 1992, and the Reporter has marked it as the A. Sure. exhibit next in order. Q. And when did you first do that? I just ask that, if you would, please, A. Oh, I can't tell you when it first came 8 take a look at the exhibit and let me know when up, but, again, in these telephone conversations you've had a chance to look it over. 10 and the meeting in Philadelphia this came up. A. Okay. 11 Either you pay it, or if we pay it, we want to be Q. Did you receive this letter on or about 12 able to come back and get it from you. 12 January 31, 1992? 13 MR. DUFFY: I have here a letter. It 13 A. Yes. 14 is dated November 15th, 1991 that I will ask the Q. Now, I note at the top of the second 15 Reporter to mark as the exhibit next to order. page at the second and third line on that page, 16 (Whereupon, Kidwell Deposition it indicates "Rick Kidwell of Miles & 17 Exhibit No. 3, 11/15/91 Letter to Carriers from Stockbridge, Black & Decker's in-house counsel". 18 McCroddan, marked.) 18 A. Right. 19 BY MR. DUFFY: 19 Q. Do you see that? 20 Q. I just ask that you take a moment to 20 A. I do see that 21 review the exhibit. Let me know when you've had Q. Were you referred to as Black &

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1 testimony earlier?	1 insured for the period 1964 to 1970, did you have
2 A. I think that this was just something	2 any discussions with Ms. McCroddan regarding that
3 that they ran up the flag pole to get the 4 discussion started and that Linda just put in	3 issue?
4 discussion started and that Linda just put in 5 there an equal percentage for everybody, so did I	4 A. Yes.
6 take issue with it? I mean ultimately yeah, we	5 Q. And when did you have those discussions 6 with Ms. McCroddan?
7 thought that Liberty Mutual ought to bear a	7 A. I'm sure at the meeting back in
8 greater percentage because they had at least, as	8 February and after that. Whether it was before
9 I remember out of the time frame that we were	9 that, I don't know. Probably afterwards.
10 discussing and the way in which we were going to	10 Q. Did you ever contact Mr. Schlemmer
11 try to work it, meaning take it by number of	11 after your receipt of this August 5th, 1992
12 years and assign a percentage on that basis, 13 then, yeah, ultimately these numbers had to	12 letter to indicate to him that Black & Decker had
14 change.	13 not agreed to consider itself self-insured for 14 the period 1964 to 1970?
15 Q. Do you know why it is that the ESIS	15 A. Well, don't read too much into that
16 company that represented Black & Decker inserted	16 considering itself self-insured. That was to get
17 the one-fifth allocations in the proposed	17 the mechanism in place to pay the Mississippi
18 agreement?	18 lawyers and who would be responsible for what,
19 A. I don't know precisely why, as I say,	19 but it didn't mean that forever and for all times
20 other than get the ball rolling and get the 21 discussions started	20 that Black & Decker had given up on convincing
a 1 September 100 Controls	21 Liberty Mutual that the '64 to '70 period was
Page 63	Page 66
1 Q. Do you know why it is that Linda	1 there and Liberty Mutual's responsibility.
2 McCroddan put in the one-fifth allocations	2 I am referring to my affidavit,
3 initially? 4 A. I don't.	3 Exhibit 1, that has attached to it my letter of
4 A. I don't. 5 MR. DUFFY: I have here a letter dated	4 August 6th, 1992 to Linda McCroddan in which I
6 August 5th, 1992 that I will ask the Reporter to	5 state in the first paragraph that "We are still 6 negotiating with Liberty Mutual about the 1964,
7 mark as the exhibit next in order.	7 1970 period. That should not prevent us from
8 (Whereupon, Kidwell Deposition	8 meeting and attempting to work out an
9 Exhibit No. 5, 8/5/92 Letter to Schlemmer to	9 arrangement", so for the purposes of moving
10 McCroddan with attached Interim Cost-Sharing	10 forward to reach an ultimate decision, I again
11 Agreement, marked.) 12 MR. DUFFY: Why don't we take a recess	11 will take Linda at her word that we were going to
12 MR. DUFFY: Why don't we take a recess 13 now.	12 do that for the time being but not to make it
14 (Luncheon recess 11:58 a.m.)	13 final and unallocable, if that's a word. 14 Q. But, Mr. Kidwell, I am going to refer
15 (Afternoon session – 12:20 p.m.)	15 you to paragraph 9 of the attached proposed
16 BY MR. DUFFY:	16 agreement.
17 Q. If you would please review the document	17 MR. PIROZZOLO: Attached to here?
18 that has just been marked as Exhibit Number 5.  19 A. Okay. I've looked at it.	18 A. Attached to Exhibit 5.
19 A. Okay. I've looked at it. 20 Q. Did you receive this document on or	19 Q. Which is attached to Exhibit 5.
21 about August 5th, 1992?	20 A. Right. 21 Q. It indicates that such payments will
	21 Q. It moteates that such payments will
10	
Page 64	Page 67
1 A. Yes.	1 not be reallocated. Do you see that?
Q. And this is a letter to Alan Schlemmer on which you are cc'd, right?	2 A. I see that in the middle of that
4 A. Correct.	3 paragraph after the first couple of sentences it 4 talks about everybody reserving all the rights
5 Q. Now, it states, quote, in the third	5 they have and the agreement not creating any
6 full sentence that, quote, "You will note Black &	6 rights or obligations, that the payments will be
7 Decker has agreed to consider itself-self-insured	7 final and will not be reallocated and then the
8 for the period of 1964 to 1970 since specific	8 next sentence going on to saying that even though
9 coverage information has not been located to 10 date."	9 they won't be reallocated, payment doesn't
11 Do you see that?	10 constitute an admission or evidence of any 11 nature, so that whole paragraph is ambiguous,
12 A. I do see that.	12 contradictory.
13 Q. Is it correct that as of August 5th.	13 You know, it hasically doesn't make
14 1992 specific coverage information had not been	14 sense the way it's written.
15 located?	15 Q. Well, couldn't it make sense if interim
16 A. I will take her at her word, yes, with	16 payments are not - strike that.
17 my understanding that specific coverage 18 information means the policies themselves and not	17 Referring you to your letter dated
19 anything else.	18 August 6th, 1992 to Ms. McCroddan, you did not 19 copy Liberty Mutual on this letter, correct?
20 Q. With respect to the assertion that	20 A. That's correct.
21 Black & Decker has agreed to consider itself	14 sense the way it's written. 15 Q. Well, couldn't it make sense if interim 16 payments are not – strike that. 17 Referring you to your letter dated 18 August 6th, 1992 to Ms. McCroddan, you did not 19 copy Liberty Mutual on this letter, correct? 20 A. That's correct. 21 Q. And why is that?
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## Page 68 Page 71 A. Because this was just telling Linda A. I believe that to be correct, 2 that I had gotten her letter and the proposed Q. So those conversations could well have 3 agreement but for her to know that it was not 3 happened before the August 5th, 1992 date of 4 fully agreed upon, that we were still fighting Ms. McCroddan's letter to Mr. Schlemmer? 5 with Liberty Mutual about that '64 to '70 time A. Of Exhibit 5? 6 frame and then also, of course, to talk about the Q. Correct. proposed meeting that she had and then a A. They could have? Sure, they could 8 follow-up and finish-up by talking about the 8 have, and they could have been afterwards. problems with the London carriers. Q. But sitting here today, you don't know Q. Now, did you ever indicate to Liberty one way or the other? 11 Mutual at any point after this August 5th, 1992 A. I don't know the specific date and 11 12 date that the issue of allocation had not yet 12 time, the specific meeting in New Orleans where 13 been fully agreed upon? 13 these things were discussed, and I can't find, as A. Yes. It was - a running battle is too 14 I sit here, a reference in his affidavit, and I 15 strong a word, but this was the continuous back 15 don't remember from his deposition, but I do 16 and forth between Liberty Mutual and I will say 16 remember from either the affidavit or the 17 us, including me and the Black & Decker folks, is 17 deposition his making reference to discussions in 18 that you guys, you Liberty Mutual, should be 18 New Orleans about it. 19 covering this time period. O. Do you recall those discussions in New Q. Did that back and forth continue after 20 Orleans? 21 the date August 5th, 1992? 21 A. Again, not the specific date, time and Page 69 A. I think it did. 1 all of that but as part of the overall theme of 2 Q. And what is the basis for your this ongoing discussion with Liberty Mutual. 3 assertion that you think it did? Q. Can you recall anything specific that A. My recollection is that those was said by either Mr. Schlemmer or yourself at discussions were ongoing even after this proposed these New Orleans discussions? arrangement that Black & Decker wasn't going to A. I probably wondered why he was being so quit on either you pay for it up front, Liberty 7 hard-headed and insisting upon a policy that his Mutual, or if we pay for it, we want to come back 8 company had failed to keep or have any records of and get it from you because we know that you and wouldn't accept, what I was convinced and was 10 covered us back then. in my mind clear and convincing, the evidence 11 Q. Can you tell me any specific 11 that they covered Black & Decker from '64 to 12 conversation that happened after August 5th, 1992 12 '70. 13 in which it was an indication that this issue was 13 Q. During the period of time that you were 14 still open? 14 responsible for the Mississippi hearing loss 15 A. I can't give you specific date, time, litigation, did Liberty Mutual make any payment 16 conversation. 16 of defense costs during that period of time? 17 Q. Have you seen any correspondence that A. I don't remember. 17 18 indicates that this issue continued after August 18 Q. Did you ever have any discussions with 19 5th, '92? 19 respect to whether Liberty Mutual would be 20 A. I'm looking at Exhibit 2, 20 responsible for paying Miles & Stockbridge's 21 Mr. Schlemmer's affidavit, and I don't know if 21 defense costs in connection with the Mississippi Page 73 1 there was something in there or if it was in his 1 hearing loss litigation? 2 deposition where he made mention of discussions A. We weren't -- my appearance wasn't in New Orleans about the allocation issue, so I 3 entered nor was any Miles & Stockbridge don't know if those discussions were after August appearance entered in the Mississippi cases that of '92, but it was, in my mind, again more 5 I can remember, so there weren't any direct, evidence that this was this back and forthing 6 quote, unquote, costs for the Mississippi defense 7 between Black & Decker and Liberty Mutual. 7 from Miles & Stockbridge. Our services were Q. Just so I'm clear, though, because I being rendered to Black & Decker who was paying thought I heard you say, you don't know if these 9 our bills, so I don't remember any discussion 10 discussions happened after August '92; is that 10 about the carriers having to compensate us. 11 correct? 11 meaning Miles & Stockbridge, or reimburse Black & 12 A. In New Orleans to which he had 12 Decker for bills paid to Miles & Stockbridge. 13 referred, and it was either in his affidavit or MR. DUFFY: I have another exhibit that 14 his deposition, he had mentioned that there had 14 I will ask the Reporter to mark as the exhibit 15 been discussions in New Orleans in addition to 15 next in order. It's a June 18th, 1993 letter 16 that meeting in Philadelphia and telephone 16 from Linda McCroddan to Alan Schlemmer, among conversations about the allocation 18 responsibility. 18 (Whereupon, Kidwell Deposition Q. But your New Orleans meetings happened

19 Exhibit No. 6, 6/18/93 to Carriers from

BY MR. DUFFY:

20 McCroddan, marked.)

21 of '92, correct?

20 as early as 1991 and happened during the course

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Page 92  1 MR. PIROZZOLO: Let me finish the question. Thank you for the help.  2 Q. I know it is paragraph 9, but I want to get the reference. It's attached to Exhibit 5.  5 A. Yes.  6 Q. Is it correct that the main point of disagreement was the disagreement regarding the document that is attached as Exhibit 5 was the language of paragraph 9?  10 MR. DUFFY: Same objection.  11 A. The answer is yes.  12 Q. What was there about the language of paragraph 9 that was the point or a point of disagreement?  13 A. Well, as I pointed out in the previous answer, the language is ambiguous, contradictory, but it doesn't set forth what was the whole issue between Black & Decker and Liberty Mutual here, and that is either Liberty Mutual agrees to pay for the '64 to '70 time period or if they will  14 21 not agree to it, that Black & Decker, while	Page 95  1
Page 93  1 bearing those expenses initially, will have a 2 mechanism to try to recoup those payments from 3 Liberty Mutual, I believe. 4 Q. Earlier in your testimony you described 5 paragraph 9 as, I don't know if they were your 6 exact words, but having some inherent 7 contradiction. 8 A. Yes. 9 Q. Could you explain what you mean by 10 that. 11 MR. DUFFY: Objection to the form, but 12 you can answer. 13 A. The beginning of that paragraph 9 14 purports to let anybody reserve any rights that 15 it has or they have and that it is not creating 16 any rights or obligations on anybody. Then it 17 seems to take all of that away by saying that any 18 payments made are final and will not be 19 reallocated. 20 Then it goes on to take away from that 21 by saying that even though we are not going to	Page 96  CERTIFICATE OF DEPONENT  I hereby certify that I have read and examined the foregoing transcript, and the same is a true and accurate record of the testimony given by me.  Any additions of corrections that I feel are necessary, I will attach on a separate sheet of paper to the original transcript.  RICHARD PATRICK KIDWELL  RICHARD PATRICK KIDWELL  RICHARD PATRICK KIDWELL
Page 94  1 reallocate the payments, that doesn't serve as 2 any evidence or admission that anybody owes 3 anything to anybody else, so you go from one end 4 to the other and back again. 5 Q. Did you ever recommend that Black & 6 Decker execute the cost-sharing agreement 7 attached to Exhibit 5? 8 A. No. 9 MR. PIROZZOLO: I have no other 10 questions. Are we done? 11 MR. DUFFY: Yes. 12 MR. PIROZZOLO: You should read it. 13 (Examination concluded — 1:00 p.m.) 14 15 16 17 18 19 20 21	Page 97  1 STATE OF MARYLAND SS: 2 I, DEBORAH C. D. SHUMAKER, a Notary Public 3 of the State of Maryland, do hereby certify that 4 the within named, personally appeared before me 5 at the time and place herein set out, and after 6 having been duly sworn by me, was interrogated by 7 counsel. 8 I further certify that the examination was 9 recorded stenographically by me and this 10 transcript is a true record of the proceedings. 11 I further certify that the stipulations 12 contained herein were entered into by counsel in 13 my presence. 14 I further certify that I am not of counsel 15 to any of the parties, nor an employee of 16 counsel, nor related to any of the parties, nor in 17 any way interested in the outcome of this action. 18 As witness my hand and notarial seal this 19 'day of 'MONTH, 2002. 20 My commission expires 21 July 1, 2002 Notary Public